

The National Standardization Administration and Ministry of Finance of P. R. China released the Chinese National Standards on Extensible Business Reporting Language (XBRL) Specifications and General Purpose Taxonomy of Chinese Accounting Standards

Press Office of Ministry of Finance

October 19, 2010

On October 19, the National Standardization Administration and Ministry of Finance of China held the Release Ceremony for the Chinese National Standards on Extensible Business Reporting Language (XBRL) Specifications and General Purpose Taxonomy of Chinese Accounting Standards (CAS) in Beijing. The national standards and general purpose taxonomy have defined the elements of XBRL and the basic requirements of preparing XBRL financial reporting based on CAS, thus laying a solid foundation for building a scientific, sophisticated and universal accounting information standards system. The national standards and taxonomy have become a milestone and starting point of China's accounting information undertaking. Vice Finance Minister Wang Jun and Administrator Ji Zhengkun of National Standardization Administration attended the ceremony and delivered an address.

Wang Jun said that XBRL has effectively enhanced the accuracy and timeliness of information disclosure. It is helpful to conduct profound and meticulous information processing from various perspectives and levels, thus significantly scaling up the width, depth and accuracy of information usage. XBRL can not only be applied in the financial accounting sector, but also be extended to fiscal management, taxation, financial regulation, state-owned assets management, risk management and internal control. He pointed out that the establishment of the national standards and general purpose taxonomy is a trail-blazing cause. The formulation and implementation of the standards and taxonomy demonstrate inclusiveness, consistence and authority. The design of the standards and taxonomy is in line with the development trend of XBRL, which is forward-looking, flexible and open. In the next step of implementation, it is imperative to continue playing the synergy effect of the Accounting Information Committee, improve the coordination mechanism, and ensure proactive and orderly implementation.

Ji Zhengkun said that the Chinese National Standards of XBRL have been formulated according to the *Accounting Law of the People's Republic of China*. The standards play an important role of standardizing preparation of financial reporting and ensuring the quality of it. The standards, which are important fundamental national standards in the sector, can not only meet the government needs for macroeconomic adjustment, but also be convenient for micromanagement of companies. The national standards have fully demonstrated their role of technical support and

consistency.

Vice Minister Xi Guohua of Ministry of Industry and Information Technology, Assistant Governor Guo Qingping of the People's Bank of China, Auditor-in-Chief Sun Baohou of National Audit Office, Deputy Commissioner Song Lan of State Administration of Taxation and some other representatives from government agencies attended the release ceremony and made an address. They believed that the release and implementation of the national standards of XBRL and general purpose taxonomy has provided benchmark and experience for the financial, audit, taxation and other government agencies to adopt XBRL. It is helpful to promote cross-sectoral XBRL information sharing and implement the national information development strategy.

Vice Chairman Meng Jianmin of State-owned Assets Supervision and Administration Commission of the State Council, Vice Chairman Li Xiaoxue of China Securities Regulatory Commission, Assistant Chairman Chen Wenhui of China Insurance Regulatory Commission and representative from China Banking Regulatory Commission also made remarks at the release ceremony. They said that the release and implementation of the national standards and general purpose taxonomy will help the supervisory agencies establish their own extensibles for supervisory purposes, thus advancing cross-departmental information sharing and exchange and improving supervision efficiency.

Liu Zhongli, Trustee of IFRS Foundation and President of CICPA, Mike Willis, Chairman of the Steering Committee and Chairman of the Board of XBRL International, and Arleen Thomas, Senior Vice President of AICPA attended the release ceremony and made an address. Li Zhongli said that the architectures of the CAS taxonomy and IFRS taxonomy are highly converged. It is the outcome of synchronized convergence of accounting standards and XBRL between the IFRS Foundation and Ministry of Finance of China. The IFRS Foundation will continue to support China's endeavor in the above-mentioned areas. Mike Willis pointed out that "developing and expanding the use of the XBRL standard here in China is a great example for others around the world." Arleen Thomas said that the general purpose taxonomy of CAS represents the latest development trend of global XBRL taxonomy.

The release ceremony was chaired by Director-General Liu Yuting of the Accounting Regulatory Department of Ministry of Finance. Vice Administrator Fang Xiang of the National Standardization Administration made the announcement of the release of the national standards. The release ceremony was held in tandem with the 21<sup>st</sup> XBRL International Conference. Members of China Accounting Information Committee, consulting experts, representatives from the business and academic communities, intermediaries and software firms, as well as nearly 500 people from around 30 countries and regions attended the ceremony and the conference.

XBRL is XML of business reporting. It has been widely applied in financial and regulatory reporting around the world. The Chinese national standards released today will take into effect as of January 1, 2011. The CAS taxonomy is standard that must be followed when preparing financial reporting with XBRL format (instance document) based on China's Accounting Standards on Business Enterprises. The taxonomy will be implemented as of January 1, 2011 by

Chinese companies listed in the New York Stock Exchange, and some accounting firms practicing in securities and futures. Other listed companies and non-listed large-and-medium-sized enterprises are encouraged to implement.

XBRL China initiated by Ministry of Finance became formal jurisdictional member of XBRL International in April 2010. The semi-annual XBRL International Conference is the global XBRL symposium of highest level by XBRL International, aiming at promoting and strengthening global application of XBRL.